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CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
SANTA ANA

BY:

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12 **UNITED STATES DISTRICT COURT**  
 13 **CENTRAL DISTRICT OF CALIFORNIA**

14 SECURITIES AND EXCHANGE  
 15 COMMISSION,

Case No.

**SACV10-00849 AG(MLGX)**

16 Plaintiff,

**COMPLAINT FOR VIOLATIONS OF  
17 THE FEDERAL SECURITIES LAWS**

18 vs.

19 WESTMOORE MANAGEMENT, LLC;  
 20 WESTMOORE INVESTMENT, L.P.;  
 21 WESTMOORE CAPITAL  
 22 MANAGEMENT, INC.; WESTMOORE  
 23 CAPITAL, LLC; and MATTHEW R.  
 24 JENNINGS,

25 Defendants.

26 Plaintiff Securities and Exchange Commission ("Commission") alleges as  
 27 follows:

28 **JURISDICTION AND VENUE**

1. This Court has jurisdiction over this action pursuant to Sections 20(b),  
 20(d)(1) and 22(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C.  
 21 §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of

1 the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),  
2 78u(d)(3)(A), 78u(e) & 78aa. Defendants have, directly or indirectly, made use of  
3 the means or instrumentalities of interstate commerce, of the mails, or of the  
4 facilities of a national securities exchange, in connection with the transactions,  
5 acts, practices, and courses of business alleged in this Complaint.

6 2. Venue is proper in this district pursuant to Section 22(a) of the  
7 Securities Act, 15 U.S.C. § 77v(a), and Section 27 of the Exchange Act, 15 U.S.C.  
8 § 78aa, because certain of the transactions, acts, practices, and courses of conduct  
9 constituting violations of the federal securities laws occurred within this district,  
10 Defendant Matthew Jennings resides in this district, and Defendants Westmoore  
11 Management, LLC (“Westmoore Management”), Westmoore Capital  
12 Management, Inc. (“WCM”), Westmoore Investment, L.P. (“Westmoore  
13 Investment”), and Westmoore Capital, LLC (“Westmoore Capital”) transact or  
14 have transacted business in this district.

### 15 SUMMARY

16 3. This matter involves unregistered securities offerings by numerous  
17 issuers controlled directly or indirectly by Matthew Jennings, who used the  
18 proceeds to operate an undisclosed Ponzi-like scheme. In 2008, Westmoore  
19 Management, WCM, Westmoore Investment, Westmoore Capital (collectively,  
20 “Westmoore”) and its subsidiaries raised more than \$53 million, of which at least  
21 \$8.7 million was paid to existing investors, in the form of stock, membership units,  
22 and promissory notes. Several of these offerings promised exorbitant short-term  
23 returns, as high as 130% annually.

24 4. Defendants relied upon a structure that centralized management and  
25 accounting functions around Westmoore Management. Although Westmoore had  
26 been operating since 2000, beginning in mid-2008, its accountants warned Matthew  
27 Jennings, Westmoore’s principal, that the business was unsustainable because its  
28 operations did not produce sufficient revenue to cover the high returns promised to

1 investors. Nonetheless, at Jennings' direction, the accounting department operated a  
2 corporate shell game, treating the various Westmoore bank accounts as one integrated  
3 account from which funds, regardless of their source, could be used to pay promised  
4 returns to investors.

5 5. In 2008, Westmoore misrepresented its offerings to raise money from  
6 potential investors in order to sustain the scheme. Defendants accomplished this by  
7 (1) promising high periodic returns, as much as 130% annually, (2) lying about their  
8 use of offering proceeds, and (3) misleading investors about the performance of their  
9 investments and Westmoore's businesses. At no point did Westmoore disclose to  
10 investors that the investors' returns depended on Westmoore's receipt of funds from  
11 new investors or the fact that Jennings diverted money for his own benefit.

12 6. Recently, Defendants have evidenced their intent to further dissipate  
13 assets and imperil investor interests. In March 2010, Jennings sent an email to  
14 investors presenting three choices regarding the payout or conversion to equity of  
15 their investment principal. Those investors who wish to receive their money back  
16 are promised "front-of-the-line preference" during prepayment only if they agree  
17 to forfeit a portion of their accrued interest or return. Those investors who wish to  
18 receive all of their money back are told that they will have to wait to be paid.  
19 Alternatively, investors are asked to convert their interests into equity with a  
20 promise that they will "share 50% of the upside." Jennings also offered his  
21 personal opinion that the Westmoore holdings have "significant upside", which  
22 "would allow investors to capitalize on recent and future success."

23 7. The Defendants have violated and are violating Sections 5(a) and 5(c)  
24 of the Securities Act, 15 U.S. C. §§ 77e(a) and 77e(c), Section 17(a) of the  
25 Securities Act, 15 U.S.C. § 77q(a), and Section 10(b) of the Exchange Act, 15  
26 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5. By this action,  
27 the Commission seeks a temporary restraining order and preliminary and  
28 permanent injunctions prohibiting such future violations as to all Defendants;

1 appointment of a receiver over Defendants Westmoore Management, WCM,  
2 Westmoore Investment, and Westmoore Capital; an order freezing the assets of all  
3 Defendants; an order requiring accountings from all Defendants; and an order  
4 prohibiting the destruction of documents by all Defendants. The Commission also  
5 seeks an order against all Defendants requiring disgorgement of ill-gotten gains,  
6 with prejudgment interest thereon, obtained by them and civil penalties.

7 **THE DEFENDANTS**

8       8.     **Matthew R. Jennings**, age 39, resides in Yorba Linda, California and  
9 is CEO of Westmoore Management, LLC; CEO of Westmoore Capital  
10 Management, Inc.; president of Westmoore Partners, Inc., the general partner of  
11 Westmoore Investment, L.P.; and CEO and director of Westmoore Capital, LLC.  
12 Jennings holds Series 4, 7, 24, 27, 63, and 65 licenses with FINRA.

13       9.     **Westmoore Capital, LLC** is a California limited liability company  
14 organized in 2006 and based in Anaheim Hills, California. The company holds  
15 ownership interests in and manages several companies in the Westmoore family.

16       10.    **Westmoore Capital Management, Inc.** is a suspended California  
17 corporation formed in 2006 and based in Anaheim Hills, California. The company  
18 purportedly sought to become an alternative asset manager and advisory firm, but  
19 never did. No registration statement has been filed with the Commission or has  
20 been in effect with respect to the securities offerings by WCM alleged in this  
21 Complaint.

22       11.    **Westmoore Investment, L.P.** is a California limited liability  
23 company formed in 2000 and based in Anaheim Hills, California. The company  
24 holds ownership interests in several companies in the Westmoore family.  
25 Westmoore Investment's general partner is Westmoore Partners, Inc. No  
26 registration statement has been filed with the Commission or has been in effect  
27 with respect to the securities offerings by Westmoore Investment alleged in this  
28 Complaint.

12. **Westmoore Management, LLC**, is an active California limited liability company formed in 2003 and based in Anaheim Hills, California. It provides administrative, operational, management, and accounting functions for other companies in the Westmoore family. No registration statement has been filed with the Commission or has been in effect with respect to the securities offerings by Westmoore Management alleged in this Complaint.

## THE FRAUDULENT SCHEME

13. Westmoore operated real businesses through numerous subsidiaries and related entities – such as restaurants, residential property rentals, and loans to small businesses and individuals—that generated revenues from operations

14. In 2008, however, Westmoore's businesses did not generate enough revenue to support promised returns to investors and several businesses lost significant amounts of money. The only way to continue paying promised returns to existing investors was to raise new investor capital and use that money to pay old investors. Consequently, many of these entities raised money in 2008 through offerings of equity, membership units, and promissory notes sold by Westmoore Securities. In all, Westmoore paid at least \$8.7 million of new investor funds to existing investors in 2008.

## A. Westmoore's Centralized Structure And Accounting Practices

## Facilitated The Scheme

15. As an officer, director, and/or owner of nearly all Westmoore entities Jennings managed the entire Westmoore enterprise. As such, he had ultimate authority over the various Westmoore entity bank accounts, including approving payments of principal and interest to investors and fund transfers.

16. Westmoore Management formed the hub of the Westmoore scheme. The company's accounting department provided management and accounting services for almost all of the Westmoore entities. Those accounting functions included, among other things, monitoring the daily activity in, and balance of, each

1 entity's bank account, issuing checks to investors or vendors, moving funds among  
2 the Westmoore bank accounts, and preparing monthly financial statements for  
3 Westmoore. Jennings used a daily accounting report summarizing balances in the  
4 various Westmoore bank accounts to determine whether and when to transfer or  
5 pay out funds.

6 **B. Westmoore's Businesses Failed To Generate Sufficient Revenues To Pay**  
7 **Investors Their Promised Returns**

8 17. Throughout 2008, because at least 70% to 75% of funds deposited  
9 with Westmoore were from investors and not revenue from business operations,  
10 Westmoore did not generate sufficient revenue to pay the interest and principal due  
11 to investors.

12 18. The Westmoore accounting department's general practice was to  
13 deposit funds from investors in, and disburse funds to investors from, the bank  
14 account of the entity offering the investment. In 2008, however, Westmoore  
15 accounts regularly had insufficient funds to cover checks issued to investors for  
16 principal or interest payments. Under those circumstances, Jennings instructed the  
17 accounting department to locate cash in the bank accounts of other Westmoore  
18 entities and transfer the necessary funds to the bank account with insufficient  
19 funds. In cases where the accounting department could not identify sufficient  
20 funds to cover the checks, Jennings directed the accounting department to consult  
21 with him so that he could decide which, if any, of the issued checks to cover and  
22 from which accounts to transfer the available funds.

23 19. Neither Jennings nor the accounting department had any regard for the  
24 source of funds that were transferred. Indeed, Jennings and the accounting  
25 department treated the various Westmoore accounts as one integrated account from  
26 which funds, regardless of their source, could be transferred and used as necessary  
27 to make various payments, including investors' principal and interest.

28 20. By the last three months of 2008, "almost all" of the funds being

1 deposited into Westmoore accounts were from investors, as opposed to revenue  
2 from business operations. Moreover, by October 2008, Westmoore increasingly  
3 bounced interest and principal checks to investors because it received fewer new  
4 investor dollars that it could use to pay existing investors. In 2008, Westmoore  
5 received over \$53 million of new money from investors, of which at least \$8.7  
6 million was used to pay the principal and returns of old investors.

7 **C. Jennings Knew That New Investor Funds Were Used To Pay Existing**  
8 **Investors**

9 21. Jennings knew in 2008 that investor funds were used to pay the  
10 interest and principal payments of existing investors because he controlled  
11 Westmoore and the movements of funds within it. Specifically, Jennings approved  
12 transfers of new investor funds from one Westmoore entity bank account to  
13 another account to cover interest and principal payments.

14 22. Beginning in mid-2008, some of Westmoore's accountants related  
15 their concern to Jennings that Westmoore's business was unsustainable. Those  
16 accountants had grown worried that the high interest rates – as much as 5% every  
17 two weeks – Westmoore had promised to pay investors coupled with the large  
18 notes payable balance (i.e., the overall amount of principal owed to investors)  
19 would require Westmoore to make exorbitant monthly interest payments that it  
20 could not afford. Each time, Jennings dismissed the accountants' concerns because  
21 Westmoore had an investment in a Chinese wireless telecommunications business  
22 that would provide substantial revenues.

23 23. In the fall of 2008, Westmoore's accounting manager told Jennings  
24 that the high interest rates Westmoore was paying investors, Westmoore's large  
25 notes payable balance, and the fact that registered representatives offering and  
26 selling Westmoore's investments were taking commissions when investors  
27 extended the term or rolled over their investments (and not just for new  
28 investments) meant that Westmoore would run out of money unless it continued to

1 receive new investment dollars. Jennings also dismissed these concerns and stated  
2 that Westmoore had investments in the works. The accounting manager  
3 subsequently provided Jennings with a spreadsheet reflecting that Westmoore's  
4 note payable balance was approximately \$50 million. He also provided Jennings  
5 with an analysis reflecting a deficit of at least \$1,000,000 over the previous three-  
6 month period created by the amounts Westmoore had paid out compared to the  
7 smaller amounts it had brought in from all sources.

8       24. The following transaction illustrates Jennings' control over, and  
9 knowledge of, Westmoore's bank accounts and its use of new investor funds to pay  
10 old investors. On November 10, 2008, pursuant to a request dated November 5,  
11 2008, the accounting department issued a \$196,700 payment of principal and  
12 interest to an investor in Westmoore Capital Group, Series A, a subsidiary of  
13 Westmoore Management. Jennings directly authorized this payment because he  
14 knew of an incoming wire "that should cover all [sic]." In fact, Jennings funded  
15 that payment with proceeds from new investors in two other Westmoore offerings:  
16 a wire transfer of \$175,000 to WCM and a \$100,000 check to Westmoore Lending  
17 Opportunity Fund, a subsidiary of Westmoore Capital, Inc. Once these funds were  
18 deposited in the respective bank accounts for WCM (which used Westmoore  
19 Capital's bank account) and Westmoore Lending Opportunity Fund, nearly all of  
20 the money was then transferred to Westmoore Management's bank account. That  
21 account, which had an opening balance of -\$15,218.37, went to a balance of  
22 approximately \$258,781.63. Then, Westmoore transferred \$197,000 of that  
23 balance to the Westmoore Capital Group, Series A bank account, which had an  
24 opening balance of \$94.17. This transfer, funded almost entirely through offering  
25 proceeds received from new investors in other offerings, funded the principal and  
26 interest payment to the investor cashing out his investment.

27

28

1      **D. Defendants Misrepresented The Offerings To Raise Money To Sustain**  
2      **The Scheme**

3      25. In 2008, Westmoore and its subsidiaries raised funds through  
4      unregistered offerings of stock, membership units, and promissory notes  
5      (collectively, the “Westmoore Offerings”). The offerings were created at  
6      Jennings’ direction. He approved each of the offering documents before they were  
7      finalized. He also conducted sales meetings with or sent emails to the registered  
8      representatives who offered and sold Westmoore’s investments to inform them  
9      about the terms of the offerings, the performance of the entities, and other  
10     information that the representatives would then communicate to prospective  
11     investors.

12     26. Registered representatives typically told investors that Westmoore’s  
13     business was to identify and invest in growth companies. The representatives  
14     stated that the offerings were good investments because the owners, and many  
15     representatives, invested their own money in the offerings and Westmoore had a  
16     track record of success. Neither the registered representatives nor the offering  
17     materials disclosed to investors that Westmoore would use new investor funds to  
18     pay the returns of existing investors.

19     27. The various Westmoore Offerings shared certain characteristics: high  
20     periodic returns, false and inadequate representations about the use of proceeds,  
21     and misleading representations regarding the performance of Westmoore’s  
22     businesses.

23      **1. Defendants Promised High Periodic Returns**

24     28. Westmoore and Jennings created offerings that promised exorbitant  
25     short-term returns, which created added pressure on them to sustain the scheme.  
26     Investors were promised the following returns:

27         • WCM: two note offerings, one which paid 5% interest for each two-  
28         week term (140% annually) and another which offered a 10% return

1 for each 60-day term (over 60% annually). WCM also issued two  
2 stock offerings both of which promised a 10% annual return plus a  
3 pro-rata share of 50% of net income, paid quarterly, on investors'  
4 equity investment.

- 5 • Westmoore Investment: one note offering that paid a 3.33% monthly  
6 return (40% annually) over a 90-day term.
- 7 • Westmoore Management: two note offerings, one which paid 7%  
8 every two weeks (91% annually) over a 90-day term and another  
9 which paid a 10% annual return paid quarterly.

10 **2. Defendants Falsely Represented The Use Of Offering Proceeds**

11 29. Westmoore created private placement memoranda ("PPMs") for  
12 distribution to new and prospective investors. These PPMs included, among other  
13 things, the following disclosures regarding the use of offering proceeds:

- 14 • WCM (equity offerings): "for general purposes to implement [the  
15 company's] plan to become a leading alternative asset manager that  
16 also provides advisory services to a global clientele."
- 17 • WCM (note offering): "provide working capital and development  
18 costs, to finance the legal and other costs associated with operations of  
19 Westmoore Capital Management, Inc." WCM never began  
20 operations.
- 21 • Westmoore Investment: "provide working capital, development costs,  
22 and finance the legal and other costs" related to a merger in which  
23 Westmoore Investment had a financial interest. The merger was not  
24 completed.
- 25 • Westmoore Management: "provide working capital and development  
26 costs, to finance the legal and other costs associated with the  
27 operations of Montana Legend, and to acquire controlling interest in a  
28 publicly traded entity." Montana Legend was an entity managed by

Westmoore Management that produced organic beef products and ultimately ran out of funding in 2008.

30. The PPMs failed to disclose that Westmoore would use offering proceeds to pay the returns of existing investors.

31. Moreover, in connection with the WCM note offerings, some investors received false oral representations about the use of the offering proceeds. Jennings and at least one registered representative told investors that the WCM offering would be used to fund a bridge loan to assist a third-party communications provider launch a new wireless internet project. These representations were false because Jennings and Westmoore diverted the WCM offering proceeds to pay existing investors in other Westmoore offerings.

### **3. Investors Were Misled About The Actual Performance Of Their Investments And Westmoore's Businesses**

32. Westmoore did not provide investors with an accurate picture of its business prospects in 2008. Although many of the PPMs included a section entitled ‘Risk Factors’, these disclosures had little or no value because of Westmoore’s failure to disclose the Ponzi-like nature of the investments.

33. Westmoore failed to disclose to investors that certain of its businesses were losing money, failing, or, in the case of WCM, unable to begin operations. Westmoore also did not tell investors that it had to rely on proceeds from new investors to pay existing investors or to fund the operations of other Westmoore entities.

34. As investments matured, Westmoore representatives generally contacted their clients and gave them the option of continuing their investment on the same or better terms or rolling over their investment into a new offering with a different Westmoore entity. Neither option required an investor to provide new funds to Westmoore. Investors, however, were not told about the financial condition of the businesses that they had previously invested in, that certain

1 businesses had failed, or that businesses were losing money. Westmoore paid  
2 commissions to representatives on rollovers of maturing investments even though  
3 it did not receive new cash. This created an incentive for representatives to push  
4 rollovers. By keeping investors from cashing out, Westmoore could reduce the  
5 demand for cash and delay the collapse of the scheme.

6 **E. Jennings Diverted At Least \$300,000 From Westmoore For His**  
7 **Personal Benefit**

8 35. On several occasions in 2008, Jennings, without disclosure to  
9 investors, transferred money from the Westmoore bank accounts into his own  
10 personal accounts, totaling over \$300,000.

11 **F. Defendants Intend To Dissipate Investor Funds**

12 36. In late 2008, Defendants suspended interest and principal payments to  
13 investors, leaving a note payable balance of approximately \$50 million. As of  
14 January 2009, due to the withdrawal of Westmoore Securities' registration with the  
15 Commission, the offerings ceased. However, Westmoore and its subsidiaries  
16 continue to operate under the "Westmoore" brand, managed by Jennings. Since  
17 January 2009, Jennings has periodically sent out "Business Update" e-mails to  
18 investors to communicate the status of the companies and the investments. These  
19 updates typically announce Westmoore's intentions to restructure, but do not make  
20 any commitment about the payment of principal and returns.

21 37. On March 21, 2010, Jennings sent out an email announcing three  
22 options for investors. The first option offered investors "front-of-the-line  
23 preference" during repayment in exchange for their agreement to significantly  
24 reduce their accrued interest or return. The second option promised investors the  
25 full amount of principal and interest, but only after the first group has been paid.  
26 The last option would permit investors to "share 50% of the upside" of the sale of  
27 Westmoore's holdings. Jennings offered his personal opinion that choosing this  
28 option "would allow investors to capitalize on recent and future success."

## **FIRST CLAIM FOR RELIEF**

## **UNREGISTERED OFFER AND SALE OF SECURITIES**

# **Violations of Sections 5(a) and 5(c) of the Securities Act (Against Jennings, Westmoore Management, WCM, and Westmoore Investment)**

38. The Commission realleges and incorporates by reference paragraphs 1 through 37 above.

8        39. Jennings, Westmoore Management, WCM, and Westmoore  
9 Investment, and each of them, by engaging in the conduct described above, directly  
10 or indirectly, made use of means or instrumentalities of transportation or  
11 communication in interstate commerce or of the mails, to offer to sell or to sell  
12 securities, or to carry or cause such securities to be carried through the mails or in  
13 interstate commerce for the purpose of sale or delivery after sale.

14        40. No registration statement has been filed with the Commission or has  
15        been in effect with respect to the offerings alleged herein. By engaging in the  
16        conduct described above, each of the Defendants violated, and unless restrained  
17        and enjoined will continue to violate, Sections 5(a) and 5(c) of the Securities Act,  
18        15 U.S.C. §§ 77e(a) and 77e(c).

## **SECOND CLAIM FOR RELIEF**

# FRAUD IN THE OFFER OR SALE OF SECURITIES

# **Violations of Section 17(a) of the Securities Act (Against All Defendants)**

41. The Commission realleges and incorporates by reference paragraphs 1 through 37 above.

25       42. All Defendants, and each of them, by engaging in the conduct  
26 described above, directly or indirectly, in the offer or sale of securities by the use  
27 of means or instruments of transportation or communication in interstate  
28 commerce or by use of the mails:

- 1 (a) with scienter, employed devices, schemes, or artifices to  
2 defraud;
- 3 (b) obtained money or property by means of untrue statements of a  
4 material fact or by omitting to state a material fact necessary in  
5 order to make the statements made, in light of the  
6 circumstances under which they were made, not misleading; or
- 7 (c) engaged in transactions, practices, or courses of business which  
8 operated or would operate as a fraud or deceit upon the  
9 purchaser.

10 43. By engaging in the conduct described above, all Defendants violated,  
11 and unless restrained and enjoined will continue to violate, Section 17(a) of the  
12 Securities Act, 15 U.S.C. § 77q(a).

13 **THIRD CLAIM FOR RELIEF**

14 **FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF**  
15 **SECURITIES**

16 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**  
17 **(Against All Defendants)**

18 44. The Commission realleges and incorporates by reference paragraphs 1  
19 through 37 above.

20 45. All Defendants, and each of them, by engaging in the conduct  
21 described above, directly or indirectly, in connection with the purchase or sale of a  
22 security, by the use of means or instrumentalities of interstate commerce, of the  
23 mails, or of the facilities of a national securities exchange, with scienter:

- 24 (a) employed devices, schemes, or artifices to defraud;
- 25 (b) made untrue statements of a material fact or omitted to state a  
26 material fact necessary in order to make the statements made, in  
27 the light of the circumstances under which they were made, not  
28 misleading; or

(c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

46. By engaging in the conduct described above, all Defendants violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

## PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that all Defendants committed the alleged violations.

II.

Issue judgments, in forms consistent with Fed. R. Civ. P. 65(d), temporarily, preliminarily and permanently enjoining the Defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating Sections 5(a), 5(c), and 17(a) of the Securities Act, 15 U.S.C. §§ 77e(a), 77e(c), and 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

III.

Issue, in a form consistent with Fed. R. Civ. P. 65, a temporary restraining order and a preliminary injunction freezing the assets of all Defendants, and any entity affiliated with any of them, appointing a receiver over Defendants Westmoore Management, WCM, Westmoore Investment, and Westmoore Capital, requiring accountings from all Defendants, and prohibiting all Defendants from destroying documents.

IV.

Order all Defendants to disgorge all ill-gotten gains from their illegal conduct, together with prejudgment interest thereon.

V.

Order all Defendants to pay civil penalties under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

VI.

Enter an order, pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), prohibiting defendant Jennings from acting as an officer or a director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

VIII.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VIII.

Grant such other and further relief as this Court may determine to be just and necessary.

DATED: June 15, 2010

Sam S. Puathasnanon  
Attorney for Plaintiff  
Securities and Exchange Commission

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**UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE COMMISSION	CASE NUMBER
PLAINTIFF(S)	<b>SACV10-00849 AG(MLGX)</b>
v.  WESTMOORE MANAGEMENT, LLC; WESTMOORE INVESTMENT, L.P.; WESTMOORE CAPITAL MANAGEMENT, INC.; WESTMOORE CAPITAL, LLC; and MATTHEW R. JENNINGS  DEFENDANT(S).	<b>SUMMONS</b>

TO: DEFENDANT(S): \_\_\_\_\_

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached  complaint  amended complaint  counterclaim  cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, John M. McCoy III/Sam S. Puathasanon, whose address is \_\_\_\_\_ . If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Dated: JUN 15 2010

Clerk, U.S. District Court

By: \_\_\_\_\_

**NANCY CASTRO SEAL**

Deputy Clerk

*(Seal of the Court)*

*[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3).]*

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET

<b>I (a) PLAINTIFFS</b> (Check box if you are representing yourself <input type="checkbox"/> ) SECURITIES AND EXCHANGE COMMISSION		<b>DEFENDANTS</b> WESTMOORE MANAGEMENT, LLC; WESTMOORE INVESTMENT, L.P.; WESTMOORE CAPITAL MANAGEMENT, INC.; WESTMOORE CAPITAL, LLC; and MATTHEW R. JENNINGS			
		Orange County			
<b>(b) Attorneys</b> (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)  John M. McCoy III and/or Sam S. Puathasnanon (323) 965-3998 Securities and Exchange Commission 5670 Wilshire Boulevard, 11th Floor, Los Angeles, CA 90036		Attorneys (If Known)  Irving M. Einhorn (310) 798-7216 Law Office of Irving M. Einhorn 1710 10th Street Manhattan Beach, CA 90266			
<b>II. BASIS OF JURISDICTION</b> (Place an X in one box only.)		<b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.)			
<input checked="" type="checkbox"/> 1 U.S. Government Plaintiff	<input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)	Citizen of This State	<input type="checkbox"/> PTF <input type="checkbox"/> DEF 1 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> PTF <input type="checkbox"/> DEF 4 4
<input type="checkbox"/> 2 U.S. Government Defendant	<input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	Citizen of Another State	<input type="checkbox"/> 2 <input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5 <input type="checkbox"/> 5
		Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3 <input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6 <input type="checkbox"/> 6
<b>IV. ORIGIN</b> (Place an X in one box only.)					
<input checked="" type="checkbox"/> 1 Original Proceeding	<input type="checkbox"/> 2 Removed from State Court	<input type="checkbox"/> 3 Remanded from Appellate Court	<input type="checkbox"/> 4 Reinstated or Reopened	<input type="checkbox"/> 5 Transferred from another district (specify):	<input type="checkbox"/> 6 Multi-District Litigation <input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judge
<b>V. REQUESTED IN COMPLAINT: JURY DEMAND:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Check 'Yes' only if demanded in complaint.)					
CLASS ACTION under F.R.C.P. 23: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
<b>VI. CAUSE OF ACTION</b> (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.) The Complaint alleges violations of the federal securities laws. 15 U.S.C. §§ 77e(a), 77e(c) & 77q(a); 15 U.S.C. § 78j(b) & 17 C.F.R. § 240.10b-5 thereunder.					
<b>VII. NATURE OF SUIT</b> (Place an X in one box only.)					
<b>OTHER STATUTES</b>	<b>CONTRACT</b>	<b>TORTS</b>	<b>TORTS</b>	<b>PRISONER PETITIONS</b>	<b>LABOR</b>
<input type="checkbox"/> 400 State Reapportionment	<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 710 Fair Labor Standards Act
<input type="checkbox"/> 410 Antitrust	<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 520 Habeas Corpus	<input type="checkbox"/> 720 Labor/Mgmt. Relations
<input type="checkbox"/> 430 Banks and Banking	<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 530 General	<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act
<input type="checkbox"/> 450 Commerce/ICC Rates/etc.	<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 330 Fed. Employers' Liability	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 740 Railway Labor Act
<input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 540 Mandamus/ Other	<input type="checkbox"/> 790 Other Labor Litigation
<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations	<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 791 Empl. Ret. Inc. Security Act
<input type="checkbox"/> 480 Consumer Credit	<input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans)	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 555 Prison Condition	<b>PROPERTY RIGHTS</b>
<input type="checkbox"/> 490 Cable/Sat TV	<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 820 Copyrights
<input type="checkbox"/> 810 Selective Service	<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 830 Patent
<input checked="" type="checkbox"/> 850 Securities/Commodities/ Exchange	<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 362 Personal Injury-Med Malpractice	<input type="checkbox"/> 444 Welfare	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 840 Trademark
<input type="checkbox"/> 875 Customer Challenge 12 USC 3410	<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 365 Personal Injury-Product Liability	<input type="checkbox"/> 445 American with Disabilities - Employment	<input type="checkbox"/> 630 Liquor Laws	<b>SOCIAL SECURITY</b>
<input type="checkbox"/> 890 Other Statutory Actions	<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 446 American with Disabilities - Other	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 861 HIA (1395ff)
<input type="checkbox"/> 891 Agricultural Act	<b>REAL PROPERTY</b>	<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 447 Other Civil Rights	<input type="checkbox"/> 650 Airline Regs	<input type="checkbox"/> 862 Black Lung (923)
<input type="checkbox"/> 892 Economic Stabilization Act		<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 462 Naturalization Application	<input type="checkbox"/> 660 Occupational Safety/Health	<input type="checkbox"/> 863 DIWC/DIWW (405(g))
<input type="checkbox"/> 893 Environmental Matters		<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 463 Habeas Corpus-Alien Detainee	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 864 SSID Title XVI
<input type="checkbox"/> 894 Energy Allocation Act		<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 465 Other Immigration Actions		<input type="checkbox"/> 865 RSI (405(g))
<input type="checkbox"/> 895 Freedom of Info. Act		<input type="checkbox"/> 245 Tort Product Liability			<b>FEDERAL TAX SUITS</b>
<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice		<input type="checkbox"/> 290 All Other Real Property			<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)
<input type="checkbox"/> 950 Constitutionality of State Statutes					<input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

SACV10-00849 AG(MLGX)

FOR OFFICE USE ONLY: Case Number: \_\_\_\_\_

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET

**VIII(a). IDENTICAL CASES:** Has this action been previously filed in this court and dismissed, remanded or closed?  No  Yes  
If yes, list case number(s): \_\_\_\_\_

**VIII(b). RELATED CASES:** Have any cases been previously filed in this court that are related to the present case?  No  Yes  
If yes, list case number(s): \_\_\_\_\_

## Civil cases are deemed related if a previously filed case and the present case:

(Check all boxes that apply)  A. Arise from the same or closely related transactions, happenings, or events; or  
 B. Call for determination of the same or substantially related or similar questions of law and fact; or  
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or  
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

**IX. VENUE:** (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named plaintiff resides.  
 Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named defendant resides.  
 Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Westmoore Management, LLC - Orange County; Westmoore Investment, L.P. - Orange County; Westmoore Capital Management, Inc. - Orange County; Westmoore Capital, LLC - Orange County; and Matthew R. Jennings - Orange County	

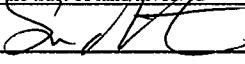
(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH claim arose.

Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Orange County	

\* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER):  Date 6/14/2010

**Notice to Counsel/Parties:** The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

**NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY**

This case has been assigned to District Judge Andrew Guilford and the assigned discovery Magistrate Judge is Marc Goldman.

The case number on all documents filed with the Court should read as follows:

**SACV10 - 849 AG (MLGx)**

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

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**NOTICE TO COUNSEL**

*A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).*

Subsequent documents must be filed at the following location:

**Western Division**  
312 N. Spring St., Rm. G-8  
Los Angeles, CA 90012

**Southern Division**  
411 West Fourth St., Rm. 1-053  
Santa Ana, CA 92701-4516

**Eastern Division**  
3470 Twelfth St., Rm. 134  
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.